

Introduced by Senator CannellaFebruary 14, 2011

An act to amend Sections 399.11 and 399.12 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 297, as introduced, Cannella. Renewable energy resources.

Existing law establishes the California Renewables Portfolio Standard Program, which requires the Public Utilities Commission to implement annual procurement targets for the procurement of eligible renewable energy resources, as defined, for all retail sellers, as defined, to achieve the targets and goals of the program.

This bill would make technical and nonsubstantive changes to the program's legislative findings and declarations and definitions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 399.11 of the Public Utilities Code is
- 2 amended to read:
- 3 399.11. The Legislature finds and declares all of the following:
- 4 (a) In order to attain a target of generating 20 percent of total
- 5 retail sales of electricity in California from eligible renewable
- 6 energy resources by December 31, 2010, and for the purposes of
- 7 increasing the diversity, reliability, public health and environmental
- 8 benefits of the energy mix, it is the intent of the Legislature that
- 9 the commission and the ~~State Energy Resources Conservation and~~

1 ~~Development~~ Energy Commission implement the California
2 Renewables Portfolio Standard Program described in this article.

3 (b) Increasing California's reliance on eligible renewable energy
4 resources may promote stable electricity prices, protect public
5 health, improve environmental quality, stimulate sustainable
6 economic development, create new employment opportunities,
7 and reduce reliance on imported fuels.

8 (c) The development of eligible renewable energy resources
9 and the delivery of the electricity generated by those resources to
10 customers in California may ameliorate air quality problems
11 throughout the state and improve public health by reducing the
12 burning of fossil fuels and the associated environmental impacts
13 and by reducing in-state fossil fuel consumption.

14 (d) The California Renewables Portfolio Standard Program is
15 intended to complement the Renewable Energy Resources Program
16 administered by the ~~State Energy Resources Conservation and~~
17 ~~Development~~ Energy Commission and established pursuant to
18 Chapter 8.6 (commencing with Section 25740) of Division 15 of
19 the Public Resources Code.

20 (e) New and modified electric transmission facilities may be
21 necessary to facilitate the state achieving its renewables portfolio
22 standard targets.

23 SEC. 2. Section 399.12 of the Public Utilities Code is amended
24 to read:

25 399.12. For purposes of this article, the following terms have
26 the following meanings:

27 (a) "Conduit hydroelectric facility" means a facility for the
28 generation of electricity that uses only the hydroelectric potential
29 of an existing pipe, ditch, flume, siphon, tunnel, canal, or other
30 manmade conduit that is operated to distribute water for a
31 beneficial use.

32 (b) "Delivered" and "delivery" have the same meaning as
33 provided in subdivision (a) of Section 25741 of the Public
34 Resources Code.

35 (c) "Eligible renewable energy resource" means an electrical
36 generating facility that meets the definition of an "in-state
37 renewable electricity generation facility" in Section 25741 of the
38 Public Resources Code, subject to the following limitations:

39 (1) (A) An existing small hydroelectric generation facility of
40 30 megawatts or less shall be eligible only if a retail seller or local

1 publicly owned electric utility owned or procured the electricity
2 from the facility as of December 31, 2005. A new hydroelectric
3 facility is not an eligible renewable energy resource if it will cause
4 an adverse impact on instream beneficial uses or cause a change
5 in the volume or timing of streamflow.

6 (B) Notwithstanding subparagraph (A), a conduit hydroelectric
7 facility of 30 megawatts or less that commenced operation before
8 January 1, 2006, is an eligible renewable energy resource. A
9 conduit hydroelectric facility of 30 megawatts or less that
10 commences operation after December 31, 2005, is an eligible
11 renewable energy resource so long as it does not cause an adverse
12 impact on instream beneficial uses or cause a change in the volume
13 or timing of streamflow.

14 (2) A facility engaged in the combustion of municipal solid
15 waste shall not be considered an eligible renewable energy resource
16 unless it is located in Stanislaus County and was operational prior
17 to September 26, 1996.

18 (d) “Procure” means to acquire through ownership or contract.
19 For purposes of meeting the renewables portfolio standard
20 procurement requirements, a retail seller or local publicly owned
21 electric utility may procure either delivered electricity generated
22 by an eligible renewable energy resource that it owns or for which
23 it has entered into an electricity purchase agreement. Nothing in
24 this article is intended to imply that the purchase of electricity from
25 third parties in a wholesale transaction is the preferred method of
26 fulfilling a retail seller’s obligation to comply with this article or
27 the obligation of a local publicly owned electric utility to meet its
28 renewables portfolio standard implemented pursuant to Section
29 387.

30 (e) (1) “Renewable energy credit” means a certificate of proof
31 associated with the generation of electricity from an eligible
32 renewable energy resource, issued through the accounting system
33 established by the Energy Commission pursuant to Section 399.13,
34 that one unit of electricity was generated and delivered by an
35 eligible renewable energy resource.

36 (2) “Renewable energy credit” includes all renewable and
37 environmental attributes associated with the production of
38 electricity from the eligible renewable energy resource, except for
39 an emissions reduction credit issued pursuant to Section 40709 of
40 the Health and Safety Code and any credits or payments associated

1 with the reduction of solid waste and treatment benefits created
2 by the utilization of biomass or biogas fuels.

3 (3) ~~No electricity~~ Electricity generated by an eligible renewable
4 energy resource attributable to the use of nonrenewable fuels,
5 beyond a de minimis quantity used to generate electricity in the
6 same process through which the facility converts renewable fuel
7 to electricity, shall *not* result in the creation of a renewable energy
8 credit. The Energy Commission shall set the de minimis quantity
9 of nonrenewable fuels for each renewable energy technology at a
10 level of no more than 2 percent of the total quantity of fuel used
11 by the technology to generate electricity. The Energy Commission
12 may adjust the de minimis quantity for an individual facility, up
13 to a maximum of 5 percent, if it finds that all of the following
14 conditions are met:

15 (A) The facility demonstrates that the higher quantity of
16 nonrenewable fuel will lead to an increase in generation from the
17 eligible renewable energy facility that is significantly greater than
18 generation from the nonrenewable fuel alone.

19 (B) The facility demonstrates that the higher quantity of
20 nonrenewable fuels will reduce the variability of its electrical
21 output in a manner that results in net environmental benefits to the
22 state.

23 (C) The higher quantity of nonrenewable fuel is limited to either
24 natural gas or hydrogen derived by reformation of a fossil fuel.

25 (f) “Renewables portfolio standard” means the specified
26 percentage of electricity generated by eligible renewable energy
27 resources that a retail seller is required to procure pursuant to this
28 article or the obligation of a local publicly owned electric utility
29 to meet its renewables portfolio standard implemented pursuant
30 to Section 387.

31 (g) “Retail seller” means an entity engaged in the retail sale of
32 electricity to end-use customers located within the state, including
33 any of the following:

34 (1) An electrical corporation, as defined in Section 218.

35 (2) A community choice aggregator. The commission shall
36 institute a rulemaking to determine the manner in which a
37 community choice aggregator will participate in the renewables
38 portfolio standard program subject to the same terms and conditions
39 applicable to an electrical corporation.

1 (3) An electric service provider, as defined in Section 218.3,
2 for all sales of electricity to customers beginning January 1, 2006.
3 The commission shall institute a rulemaking to determine the
4 manner in which electric service providers will participate in the
5 renewables portfolio standard program. The electric service
6 provider shall be subject to the same terms and conditions
7 applicable to an electrical corporation pursuant to this article.
8 ~~Nothing in this~~ *This paragraph shall does not* impair a contract
9 entered into between an electric service provider and a retail
10 customer prior to the suspension of direct access by the commission
11 pursuant to Section 80110 of the Water Code.

12 (4) “Retail seller” does not include any of the following:

13 (A) A corporation or person employing cogeneration technology
14 or producing electricity consistent with subdivision (b) of Section
15 218.

16 (B) The Department of Water Resources acting in its capacity
17 pursuant to Division 27 (commencing with Section 80000) of the
18 Water Code.

19 (C) A local publicly owned electric utility.